BRITISH COLUMBIA | BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 12-15 April 13, 2012

- **Value of B.C. exports rose 5.3% in February**
- **Housing starts in B.C. tumble 27.1% in March**
- **B.C.'s hate crime rate falls to 4.0 in 2010**

The Economy

- **The value of British Columbia's exports advanced 5.3% (*seasonally adjusted*) in February following a period of back-to-back monthly declines.** The overall rise was led by increases in the value of energy (+17.5%) and industrial & consumer (+8.5%) products shipped abroad. These increases served to offset weaker exports of both machinery & equipment (-8.1%) and agriculture & fish (-4.9%) products. The value of exported forestry products remained virtually unchanged from the previous month.

  Total shipments to the United States dipped slightly (-0.6%) in February, undermined by flagging exports of machinery & equipment (-4.1%) and industrial & consumer goods (-7.3%). This marks a fifth consecutive monthly decline in exports to the U.S. The value of goods delivered to non-U.S. customers climbed sharply (+9.7%), led by significantly higher shipments of both energy products (+21.7%) and industrial & consumer goods (+23.9%). *Data Source: Statistics Canada & BC Stats*

- **Nationally, exports fell 3.9% (*seasonally adjusted*) in February, mainly due to weaker shipments of automotive (-11.9%) and energy (-6.9%) products.** Imports, on the other hand, edged slightly higher (+0.2%) during the month, shrinking Canada's trade surplus from $1.9 billion to $292 million.

  Data Source: Statistics Canada

- **Total housing starts in British Columbia plunged 27.1% (*seasonally adjusted*) in March, largely as a result of a downturn in the number of urban starts (-27.7%).** While the number of newly built single-detached homes in the province was up moderately (+9.4%) compared to the previous month, a significant slowdown in the total number of multiple-unit dwelling starts (-38.2%) was responsible for the overall decline.

  In Vancouver, total housing starts fell considerably (-35.3%). However, the slump in housing starts was not exclusive to the province's urban centres, as the number of new homes built in B.C.'s rural communities were also notably lower (-20.0%) in March.

  Total Canadian housing starts rose 5.0% in March, chiefly due to an increase (+8.3%) in the number of new multiple-unit homes built in urban centres. Ontario (+29.8%), Manitoba (+21.5%), and Alberta (+10.6%) posted the strongest increases in starts, while B.C. (-27.1%), Saskatchewan (-24.3%), and Quebec (-7.4%) registered the most significant declines. *Data Source: CMHC*

- **The cost of new housing in B.C.'s two largest metropolitan areas declined in February.** In Vancouver, new housing (house and land) prices edged down 0.3% over the same month of 2011, while homebuilders in the Victoria area received an average of 2.4% less for their projects.

  In recent months, house prices in particular have exerted downward pressure on new housing costs. In February, land value was up slightly (+0.4%) in B.C.'s most populous city, while the price for a new house slipped 0.7%. In the capital city, the cost of land rose 0.4% over February of last year, as house

Report **Impact of Disaster on Japan's Trade Unclear**

Did you know...

Of the twelve passengers bound for British Columbia that boarded the ill-fated *RMS Titanic* on April 10, 1912, only one arrived.

Data Source: CBC News

prices continued to decline (-3.5%).

Data Source: Statistics Canada

- **Lumber production by British Columbia's sawmills rose 4.5% between January 2012 and the same month the previous year.** While output by Coastal mills slumped (-8.1%), this was more than offset by a higher volume of lumber produced by Interior mills (+6.2%). Shipments of lumber, the volume of product purchased by customers, rose significantly (+11.3%) in January.

  Nationally, lumber production was up slightly (+1.0%) as increases in Alberta (+8.1%) and B.C. were undercut by slowdowns in output in New Brunswick (-11.2%), Nova Scotia (-10.4%), Quebec (-9.5%), and Ontario (-6.7%). *Data Source: Statistics Canada*

Crime

- **In 2010, police services in British Columbia reported a total of 179 hate crimes yielding a hate-crime rate of 4.0.**[1] This is down from the previous year, when police services reported 219 hate-motivated offences, a rate of 5.0. In 2010, B.C. accounted for approximately one-eighth of all hate crimes reported in Canada and were evenly divided between violent (49%) and non-violent (51%) offences.

  Among the province's largest urban centres, Kelowna had the lowest rate of hate crime (3.4), while Abbottsford-Mission (5.1), Victoria (5.0), Vancouver (4.9) all posted similar rates of hate crime, all of which were higher than the provincial average. Based on information for Vancouver, hate crimes were most commonly motivated by race or ethnicity (60%), followed by sexual orientation (26%) and religion (13%). *Data Source: SC Cat no. 85-002-X*

- **Nationally, the hate-crime rate fell 17.7% to 4.1 after rising sharply in each of the two previous years.** Of the 1,401 hate crimes reported by police services in Canada, roughly one-third (34%) were classified as violent crimes.

  Approximately half (50%) of reported hate-crimes were motivated by race or ethnicity, with Blacks (38%) being targeted more than any other racial or ethnic group. Religious affiliation accounted for just over one-quarter (28%) of hate-crimes in Canada with Jews (52%) the most common target. Sexual orientation was the motivation for roughly one in six (16%) hate-related offences. Other motivations, including mental or physical disability, gender, or political beliefs accounted for about one in twenty (4%) hate crimes.

  Ontario (5.7) and Manitoba (4.6) and B.C. (4.0) reported the highest rates of hate crime among the provinces, while the lowest rates were registered in Newfoundland & Labrador (1.0), P.E.I. (1.4), and Saskatchewan (2.2). *Data Source: SC Cat no. 85-002-X*

Oops!

In last week's Infoline, *an error in the bullet regarding regional unemployment rates slipped our notice. A corrected version of the bullet follows:*

- **Among the province's regions, jobless rates ranged from 3.6% (3-month moving average, unadjusted) in Northeast to 11.8% in North Coast/Nechako.** Compared to the previous month, the job market improved in Northeast, Cariboo (7.5%), Vancouver Island/Coast (6.5%) and North Coast/Nechako, but rates in other regions were on the rise.

  Data Source: Statistics Canada

***Infoline* Issue: 12-15**
***April* 13, 2012**

[1] All rates calculated per 100,000 population.

Author: Dan Schrier
(250) 387-0376
Dan.Schrier@gov.bc.ca

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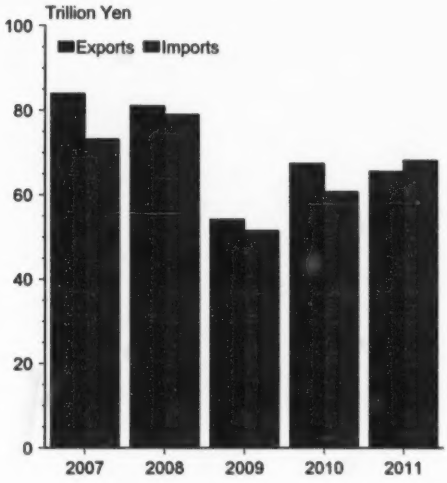
Infoline Report

Impact of Disaster on Japan's Trade Unclear

The recent sinking of a Japanese "ghost ship" in the Gulf of Alaska serves as a reminder that it has been over a year since the devastating earthquake and subsequent tsunami struck Japan. The effect of the disaster on Japanese goods exports and imports is difficult to gauge, but at first blush, it appears that it was far less severe than that of the economic downturn that resulted in both exports from and imports to Japan losing approximately a third of their value between 2008 and 2009. By comparison, in 2011, exports from Japan fell by less than 3%, while imports climbed 12%.

At first glance, it appears that the global economic downturn affected Japan's trade far more than the 2011 earthquake and tsunami

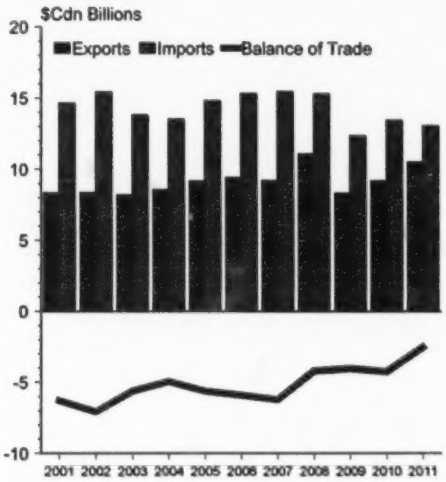


Source: Japan Statistics Bureau

However, it is impossible to say that the aftermath of the disaster did not have a severe impact on Japan's trade. While there may not have been a substantial decline in exports from Japan, it is possible that the disaster delayed recovery from the economic downturn and that, in its absence, exports would have climbed back to 2008 levels, or perhaps beyond. In fact, given that there was growth in merchandise exports of over 24% between 2009 and 2010, indicating that the Japanese economy was starting to recover from the economic downturn, it seems that this is a likely scenario.

In terms of Canadian trade in goods with Japan, in 2011, there was a 16% jump in shipments from Canada to Japan and a 3% decline in goods moving the other direction. Canada's merchandise trade deficit with Japan shrank 44% to $2.4 billion, its lowest level since 1997.

Canada's trade deficit with Japan has been trending down over the last few years



Source: Statistics Canada

Among the provinces, only Prince Edward Island (-31%) experienced a drop in exports to Japan in 2011. Newfoundland and Labrador saw the strongest growth in shipments to Japan (+66%), followed by Saskatchewan

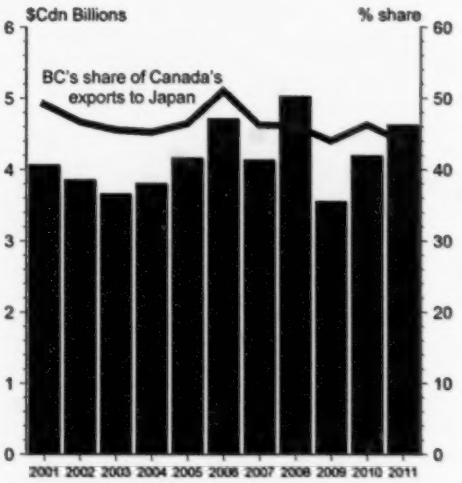
(+40%). British Columbia's exports to Japan grew 10% between 2010 and 2011.

The increases were driven by similar groups of commodities across the country and could be related to domestic shortages in Japan resulting from the disaster. In Newfoundland and Labrador, iron and copper ores and concentrates were responsible for most of the increase. Copper ores and concentrates were also a significant contributor to the increase in exports from both Ontario and British Columbia. Higher exports of wheat, barley, and rape and colza seeds were the primary reason for the growth in exports from the Prairie provinces. Seafood products contributed significantly to the growth in exports of the Atlantic provinces, excluding Prince Edward Island, where a 38% drop in shipments of seafood was the main factor driving the province's overall slump in exports to Japan. Most of the growth in seafood shipments was driven by crustaceans, particularly snow crabs. Prince Edward Island exports relatively few crabs compared to the other Atlantic provinces and saw lobster exports to Japan slump dramatically in 2011.

British Columbia also experienced a decline in exports of seafood to Japan as shipments of fresh (-65%) and frozen salmon (-87%) and herring roe (-51%) plunged from 2010 to 2011. There was also a large drop in shipments of unwrought aluminum (-20%), another significant BC export to Japan. However, strong growth in exports of other goods more than compensated for the declines in seafood and aluminum shipments.

As mentioned above, copper ores and concentrates (+36%) saw a substantial boost in exports to Japan. The largest contributor to BC's 10% overall expansion in shipments to Japan was coal, which saw exports climb 19%. However, the growth was due entirely to an increase in price, as quantities shipped actually fell 13%. Given that most of BC's coal shipments are comprised of metallurgical coal, which is mainly used in the production of steel, and the fact that some of Japan's steel mills were damaged by the earthquake (as well as other plants that use steel as an input, such as auto manufacturers), it is not unexpected that the volume of metallurgical coal shipments to Japan would experience a decline.

British Columbia's exports to Japan continued to climb in 2011

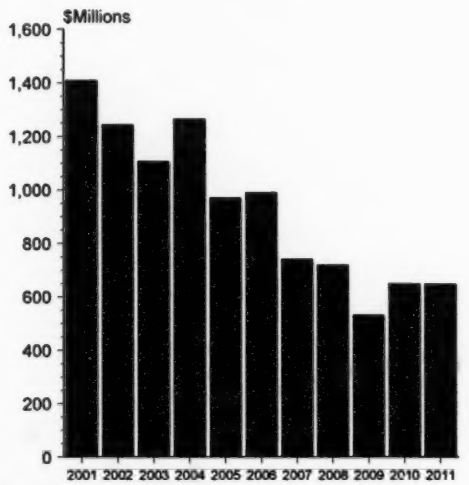


Source: Statistics Canada

More surprising is the fact that exports of lumber from BC to Japan were basically unchanged from 2010 to 2011. With the devastation that occurred following the earthquake and tsunami, one may have expected that there would have been a substantial increase in Japanese imports of lumber products to use in rebuilding efforts, but this does not appear to have happened. There have been delays in reconstruction of the houses and other build-

ings swept away by the tsunami, due to both the massive cleanup that was required, as well as a lack of a rebuilding strategy from the Japanese government. The overwhelming size of the task is one reason for the delay in developing a strategy, but there is also the difficulty of ensuring that the rebuilt communities will have sustainable economies. Many of the fishing villages wiped out by the tsunami were struggling prior to the disaster due to declining fish stocks. Simply rebuilding them will not solve their economic problems, particularly since the tsunami dam-aged the habitat of the shellfish in that area, further reducing the available catch.

BC lumber exports to Japan were virtually unchanged in 2011



Source: Statistics Canada

It is possible that there will be a significant boost in demand for lumber products in the next few years, once the reconstruction efforts begin in earnest and BC may benefit with an increase in lumber shipments to Japan. However, there is no guarantee that BC will be a significant source of that lumber as it will face competition from countries such as Russia.

As Japan continues to rebuild and its economy once again gains steam, there may be positive repercussions for BC exports. Another development that could positively influence BC's trade with Japan is the possibility of a free trade agreement between Canada and Japan. Recently, a joint study by the governments of Canada and Japan recommended pursuing a comprehensive free trade agreement. The study suggested that such an agreement could increase two-way trade between the two countries by approximately $11 to $13 billion (US dollars). 1

Such an agreement will take years to develop, but if it goes ahead, there could be significant benefits for British Columbia, particularly since BC is the largest source of Canadian merchandise exports to Japan (44% in 2011 – Alberta ranked second with only 18%). There would also be more opportunities for trade in services as well as investment. There are many barriers to overcome before a free trade agreement is realized, particularly with regard to trade in automobiles. Canada's automobile manufacturers have been resistant to free trade with South Korea and are likely to have the same reservations to a deal with Japan. However, if the two countries can clear those hurdles, both would likely reap significant economic benefits.

[1] "Report of the Joint Study on the Possibility of a Canada-Japan Economic Partnership Agreement," March 7, 2012,

http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/japan-japon/study-report_rapport-etude.aspx (accessed April 11, 2012).

Infoline

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jan 1/2012	% change on one year ago
BC	4,597.9	1.0
Canada	34,670.4	1.1
GDP and INCOME (Released Nov 8)		
(BC - at market prices)	2010	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	203,147	5.9
GDP *($ 2002 millions)*	167,140	3.0
GDP *($ 2002 per Capita) (reflects revised pop)*	36,899	1.4
Personal Disposable Income *($ 2002 per Capita)*	26,166	2.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jan 2012	3,161	2.0
Merchandise Exports - Feb 2012	2,766	5.3
Retail Sales - Jan 2012	5,047	0.3
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Feb 2012)	one year ago	% change
BC	1.7	2.3
Vancouver	2.1	2.2
Victoria	1.6	2.1
Canada	2.6	3.0
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Mar 2012	prev. month
Jobs Created (-Lost) - BC	-1.7	
Labour Force - BC	2,471.8	0.0
Employed - BC	2,299.1	-0.1
Unemployed - BC	172.7	0.7
		Feb 2012
Unemployment Rate - BC *(percent)*	7.0	6.9
Unemployment Rate - Canada *(percent)*	7.2	7.4
INTEREST RATES (percent)	Apr 11/2012	Apr 13/2011
Prime Business Rate	3.00	3.00
Conventional Mortgages - 1 year	3.20	3.70
- 5 year	5.44	5.69
US-CANADA EXCHANGE RATE	Apr 11/2012	Apr 13/2011
(avg. noon spot rate) Cdn $ per US $	1.0039	0.9640
(closing rate) US $ per Cdn $	0.9958	1.0391
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Mar 2012	one year ago
BC	858.29	3.7
Canada	859.73	2.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

New RSS Feeds From BC Stats

BC Stats has published several new RSS feeds, including: Aboriginal Peoples, Business and Industry, Census, Economic Statistics, Education, Environment, Geography and Mapping, Income, Pensions, Spending and Wealth, International and Interprovincial Trade, Labour, Population, Demography and Immigration, and more.

http://www.bcstats.gov.bc.ca/Help/RSSFeeds.aspx

The 2011 National Household Survey

Release dates have been set as:

May 8, 2013
- Immigration; Citizenship; Place of birth; Language; Ethnic origin; Visible minorities; Religion; Aboriginal Peoples

June 26, 2013
- Labour; Education; Place of work; Commuting to work; Mobility and migration; Language of work

August 14, 2013
- Income; Earnings; Housing; Shelter costs

http://www12.statcan.gc.ca/nhs-enm/index-eng.cfm

Census 2011 Fast Facts

According to the 2011 census, compared to other provinces, BC's population growth was second only to Alberta over the 2006 to 2011 period. In May of 2011, the census counted 4,400,057 persons in BC, up 286,570 (+7.0%) from the 2006 count. Read more on the 2011 Census page:
http://www.bcstats.gov.bc.ca/StatisticsBySubject/Census/2011Census.aspx

Released this week by BC Stats

- Exports, February 2012

Next week

- Consumer Price Index, March 2012
- Business Indicators, March 2012

BC Stats, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: 250-387-0327 Fax: 250-387-0380 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca